

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

EASTERN IOWA REGIONAL HOUSING AUTHORITY
DUBUQUE, IOWA

June 30, 2005

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TOSTRUD & TEMP, S.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

We have audited the accompanying proprietary fund statement of net assets of the Eastern Iowa Regional Housing Authority, as of June 30, 2005, and the related proprietary fund statements of revenues, expenses and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Eastern Iowa Regional Housing Authority as of June 30, 2005, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have issued our report dated September 8, 2005, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws,

regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information, including the Schedule of Expenditures of Federal Awards, required by the United States Office of Management and Budget (OMB) Circular A-133, and the Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

Fosterud & Temp, J. C.

September 8, 2005

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2005

This section of the Eastern Iowa Regional Housing Authority, Dubuque, Iowa's annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended on June 30, 2005. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

FINANCIAL HIGHLIGHTS

The term "net assets" refers to the difference between assets and liabilities. The Authority's total net assets as of June 30, 2005 were \$7,261,076. The net assets increased by \$141,874, an increase of 2.0% over the prior year.

The Authority had a net decrease of \$33,768 in the Low Rent Public Housing and Capital Fund Programs, \$28,599 net decrease in the Section 8 Voucher Program, \$225 net decrease in the Rural Rental Housing Loans Program, and a \$204,466 net increase in Component Units (Eastern Iowa Regional Housing Corporation - EIRHC).

Revenues for the Authority were \$4,510,154 for the year ended June 30, 2005. This was an increase of 14.6% over the prior year.

Expenses for the Authority were \$4,320,979 for the year ended June 30, 2005. This was an increase of 10.5% over the prior year.

HUD operating subsidy for the Authority was \$284,454 for the year ended June 30, 2005, an increase of 6.5% over the prior year. The Authority expended \$363,963 in HUD capital fund grants for the year ended June 30, 2005, an increase of 54.1% over the prior year. The Authority also had revenue of voucher assistance from HUD in the amount of \$3,301,025 for the Section 8 Voucher Program, an increase of 13.8% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *Management Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information Required by HUD*. The Authority's financial statements are presented as fund level financial statements because the Authority only has proprietary funds.

Required Financial Statements

The financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Assets includes all the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2005

OVERVIEW OF THE FINANCIAL STATEMENTS - CONTINUED

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Assets. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information Required By HUD*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended June 30, 2005 and is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

Net assets may serve, over time, as a useful indicator of a government's financial position. As stated in the table on the following page, assets exceeded liabilities by \$7,261,076 at the close of the year ended June 30, 2005 up from \$7,119,202 in fiscal year 2004. The increase in net assets of \$141,874 was primarily due to an increase in non-current assets.

Non-current assets increased \$505,534 mostly due to a \$372,614 land purchase by EIRHC for the development of a tax credit project named Asbury Meadows. EIRHC borrowed the purchase amount from the Authority which also explains why cash decreased and receivables increased in fiscal year 2005.

Current liabilities include accounts payable, tenant security deposits, deferred revenue and long-term debt. The increase in current liabilities of \$371,726 is due, in part to the amount borrowed by EIRHC for the land purchase mentioned in the previous paragraph.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2005

FINANCIAL ANALYSIS - CONTINUED

The unrestricted net assets were \$1,031,628 as of June 30, 2005. This amount may be used to meet the Authority's ongoing obligations. The Authority has sufficient funds to meet requirements for cash outlays in the next fiscal year. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net assets. The same situation held true for the prior fiscal year.

CONDENSED STATEMENTS OF NET ASSETS

	FY 2005	FY 2004	Dollar Change	Percent Change
Current and other assets	\$ 1,288,663	\$ 1,282,444	\$ 6,219	0.5%
Non-current assets	6,936,257	6,430,723	505,534	7.9%
Total Assets	8,224,920	7,713,167	511,753	6.6%
Current liabilities	667,850	296,124	371,726	125.5%
Other noncurrent liabilities	295,994	297,841	(1,847)	-0.6%
Total Liabilities	963,844	593,965	369,879	62.3%
Net Assets				
Invested in capital assets, net of related debt	6,229,448	6,154,819	74,629	1.2%
Restricted	-	75,000	(75,000)	-100.0%
Unrestricted	1,031,628	889,383	142,245	16.0%
Total Net Assets	\$ 7,261,076	\$ 7,119,202	\$ 141,874	2.0%

The largest portion of the Authority's net assets reflects its investment in capital assets (e.g. land, buildings and equipment) less accumulated depreciation. The Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

The 2003 approved capital grant (501-03) totals \$217,360 and was 100.0% expended as of June 30, 2005. The following is a summary of individual grant line items, budget amount, percent expended as of 6/30/05, and a brief description:

<u>Line No.</u>	<u>Amount</u>	<u>Percent</u>	<u>Brief Description</u>
1406	\$ 30,000	100.0%	HA-Wide Operations
1410	\$ 10,326	100.0%	001-029 Administration
1430	\$ 19,674	100.0%	001-029 Spec writing & inspections
1460	\$132,561	100.0%	007 Kitchen cabinets, flooring, windows 004 Kitchen cabinets 003 Windows, concrete replacement
1475	\$ 24,799	100.0%	HA-Wide Upgrade maintenance vehicles and tools

The 2003 approved capital grant bonus (502-03) totals \$43,319 and was 100.0% expended as of June 30, 2005. The following is a summary of individual grant line items, budget amount, percent expended as of 6/30/05, and a brief description:

<u>Line No.</u>	<u>Amount</u>	<u>Percent</u>	<u>Brief Description</u>
1460	\$ 43,319	100.0%	007 Kitchen cabinets, flooring

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2005

FINANCIAL ANALYSIS - CONTINUED

The 2004 approved capital grant (501-04) totals \$247,602 and was 100.0% expended as of June 30, 2005. The following is a summary of individual grant line items, budget amount, percent expended as of 6/30/05, and a brief description:

<u>Line No.</u>	<u>Amount</u>	<u>Percent</u>	<u>Brief Description</u>
1406	\$ 77,032	100.0%	HA-Wide Operations
1408	\$ 2,672	100.0%	HA-Wide Software upgrade
1410	\$ 9,816	100.0%	HA-Wide Administration
1430	\$ 19,411	100.0%	HA-Wide Spec writing & inspections
1460	\$110,877	100.0%	002 Flooring, miscellaneous roof replacement 004 Windows, exterior benches 007 Kitchen cabinets, flooring, tree removal 009 Flooring 027 Windows 029 Handicapped freezer HA-Wide Relocate zone valves - Elderly units
1465	\$ 10,811	100.0%	HA-Wide Water heater replacement
1475	\$ 16,983	100.0%	HA-Wide Vehicle

While the Statement of Net Assets shows the change in financial position of net assets, the Statements of Revenues, Expenses, and Changes in Net Assets provides answers as to the nature and source of these changes.

As can be seen in the table on the following page, total revenues increased by \$573,047 primarily due to an increase in HUD program contributions and HUD capital grants. HUD program contributions increased \$400,737 as the direct result of a 12.9% increase in the number of Section 8 vouchers issued and outstanding during fiscal year 2005. This was made possible by the 156 additional Section 8 voucher units that the Authority received from the City of Maquoketa Housing Authority on April 1, 2004.

HUD capital grants increased \$111,384 due to several reasons. The majority of the 2003 and 2004 capital fund grants were expended in fiscal year 2005 for the completion of the Bellevue Elderly and Manchester Elderly kitchen cabinets. Also, the Bellevue Elderly and Dyersville Elderly window replacements took longer than expected.

Total expenses increased by \$411,238 primarily due to an increase in administrative expenses and housing assistance payments. Administrative expenses increased \$145,131 due to an increase in administrative salaries of \$134,941. The increase was the result of hiring a ROSS FSS Coordinator in May 2005 and beginning in October 2003 (FY '04) East Central Intergovernmental Association, which provides staffing for the Authority, had a \$130,000 construction contract with TRICON for the oversight of the Peosta Evergreen Meadows Tax Credit Project. There was six EIRHA staff involved in the oversight of the construction. This contract was fully expended by June 2004, therefore reflecting the increase in administrative expenses for FY '05. Housing assistance payments increased \$320,346 due to the 12.9% increase in number of Section 8 vouchers issued and outstanding during fiscal year 2005. Average housing assistance payment for fiscal year 2005 was \$268.31, up from \$268.02 in fiscal year 2004.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2005

FINANCIAL ANALYSIS – CONTINUED

**CONDENSED STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS**

	<u>FY 2005</u>	<u>FY 2004</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues				
Program revenues				
Rental income	\$ 281,896	\$ 288,310	\$ (6,414)	-2.2%
HUD program contributions	3,301,025	2,900,288	400,737	13.8%
HUD operating grants	378,987	339,502	39,485	11.6%
Other government grants	22,213	23,260	(1,047)	-4.5%
General revenues				
Interest income	14,371	7,884	6,487	82.3%
HUD capital grants	275,211	163,827	111,384	68.0%
Gain on disposal of fixed assets	15,992	23,191	(7,199)	31.0%
Other income	220,459	190,845	29,614	15.5%
Total Revenues	<u>4,510,154</u>	<u>3,937,107</u>	<u>573,047</u>	<u>14.6%</u>
Expenses				
Administrative	810,144	680,512	129,632	19.0%
Tenant services	1,675	3,709	(2,034)	-54.8%
Utilities	84,373	75,817	8,556	11.3%
Ordinary maintenance & operations	262,440	215,200	47,240	22.0%
General expense	54,452	154,724	(100,272)	-64.8%
Interest expense	20,793	22,025	(1,232)	-5.6%
Housing assistance payments	2,771,146	2,450,800	320,346	13.1%
Depreciation	315,956	306,954	9,002	2.9%
Total Expenses	<u>4,320,979</u>	<u>3,909,741</u>	<u>411,238</u>	<u>10.5%</u>
Excess (deficiency) before contributions and prior period adjustments	189,175	27,366	161,809	
Prior period adjustments	-	15,178	(15,178)	
Contributions	(47,301)	102,785	(150,086)	
Change in net assets	<u>141,874</u>	<u>145,329</u>	<u>(3,455)</u>	
Beginning net assets, as restated	7,119,202	6,973,873	145,329	
Ending net assets	<u>\$ 7,261,076</u>	<u>\$ 7,119,202</u>	<u>\$ 141,874</u>	

General expenses were higher in fiscal year 2004 due to a consulting fee. Contribution amount of \$102,785 in fiscal year 2004 represents the residual equity transferred from the City of Maquoketa Housing Authority to the Eastern Iowa Regional Housing Authority. Beginning April 1, 2004, HUD obligated additional funding to administer the 156 Section 8 Voucher units resulting from the transfer.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2005

FINANCIAL ANALYSIS – CONTINUED

EIRHA currently owns and manages 165 public housing units plus an on-site manager unit. These units are located in Dyersville, Bellevue, Manchester, Colesburg, Miles, Sabula, DeWitt, Holy Cross, Hopkinton, Worthington, Delmar, Preston, Peosta, and Wheatland. Overall, the projects maintain a 98.5% occupancy level. There are 84 units of elderly and 81 units of family and one on-site manager unit which is located in Manchester, Iowa. The family housing is scattered site single family homes and duplexes. Currently EIRHA has 5-four bedroom units, 30-three bedroom units, 46-two bedroom units, and 84-one bedroom units.

EIRHA is authorized to assist 883 households with the Housing Choice Voucher Rental Assistance Program. Of the 883 vouchers, the city of Maquoketa is given priority to their original 156 vouchers under their Annual Contributions Contract that EIRHA assumed. From July 1, 2004 through June 30, 2005, EIRHA served 151 families in the city of Maquoketa. The Section 8 lease up rate for fiscal year 2005 was 97.5%, down from 99.5% in the prior year. However, EIRHA's average expenditure rate was approximately 99.52% for the year. In FY 2005 the Housing Choice Voucher program became completely budget based, as a result of this, fewer families were served.

EIRHC owns 10 one-bedroom USDA units that are designed for the elderly/handicapped/disabled, located in Grand Mound (6 units) and Worthington (4 units). EIRHC is also the general partner/developer for the 24 tax credit units known as Evergreen Meadows. This project is located in Peosta, Iowa and has 3 four-bedroom units, 11 three-bedroom units and 10 two-bedroom units.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The Eastern Iowa Regional Housing Authority, Dubuque, Iowa's investment in capital assets, net of related debt, as of June 30, 2005 amounts to \$6,229,448 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment and construction in progress.

The total increase in the Authority's investment in capital assets for the current fiscal year was 1.2% in terms of net book value. Actual expenditures to purchase or construct capital assets were \$413,652 for the year. Of this amount, \$275,211 was used from HUD capital grants, \$17,673 was from Section 8 Voucher administrative fees, and \$120,768 was used from Public Housing operating reserve. The Authority received \$46,664 from the sale of a single family unit (521 3rd Street NW, Dyersville, Iowa) through the homeownership program with a book value of \$29,942. The Authority has various contract commitments with contractors for the implementation of the HUD capital grants as outlined by the HUD approved Capital Grant Budget. Depreciation charges for the year totaled \$315,956. Additional information on the Authority's capital assets can be found in Note D of the notes to the financial statements of this report.

The USDA project has several mortgages that were used to purchase land and buildings for the Rural Rental Housing Assistance Program. Total mortgage debt as of June 30, 2005 is \$297,840, down from \$299,563 in fiscal year 2004. Additional information on the Authority's long-term debt can be found in Note E of the notes to the financial statements of this report.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2005

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2006 budget. The user charges are based on a tenant's income as established by HUD guidelines and are not adjustable. Operating subsidy is based on rental income, other income and utility consumption and costs. The amount of funding is also established and approved by HUD. In projecting the amount of rental income, the Authority considered prior year rental income and occupancy rates. The occupancy rate as of June 30, 2005 was 98.5% and is expected to remain constant. The operating expenses are expected to increase by the economy's inflation rate.

The Authority received their calendar year 2005 funding documents from HUD on January 21, 2005 for the Housing Choice Voucher program. Annual funding amounts stated in this document were \$2,744,738 for housing assistance payments and \$482,946 for administrative fees. HUD has clearly stated that the Authority must operate within these funding amounts and additional funds are not available. Based on the average housing assistance payment per unit of \$268.31 for fiscal year 2005, the Authority will have sufficient funding to lease 96.5% of its authorized vouchers in the first six months of fiscal year 2006. Funding amounts have not yet been determined by HUD for the last six months of the Authority's next fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Michelle Schnier
Housing Director
Eastern Iowa Regional Housing Authority
3999 Pennsylvania Avenue, Suite 200
Dubuque, Iowa 52002

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2005

	Enterprise Funds			
	Low Rent Public Housing	Section 8 Housing Choice Vouchers	EIRHC	Total
ASSETS				
Current assets				
Cash	\$ 164,729	\$ 376,654	\$ 232,933	\$ 774,316
Investments	-	34,176	-	34,176
Accounts receivable				
Tenants	479	-	-	479
HUD	1,072	-	-	1,072
Other	828	91,121	-	91,949
Due from other funds	372,614	-	-	372,614
Accrued interest	-	822	-	822
Deferred charges	7,955	5,280	-	13,235
Total current assets	<u>547,677</u>	<u>508,053</u>	<u>232,933</u>	<u>1,288,663</u>
Non-current assets				
Capital assets, net of accumulated depreciation	6,205,103	24,345	264,195	6,493,643
Investment in joint ventures	-	-	442,614	442,614
Total non-current assets	<u>6,205,103</u>	<u>24,345</u>	<u>706,809</u>	<u>6,936,257</u>
Total assets	<u>\$ 6,752,780</u>	<u>\$ 532,398</u>	<u>\$ 939,742</u>	<u>\$ 8,224,920</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Notes payable - current	\$ -	\$ -	\$ 1,846	\$ 1,846
Accounts payable				
Vendors	47,630	36,822	-	84,452
HUD	-	125,809	-	125,809
Security deposits	31,336	-	2,213	33,549
Due from other funds	-	-	372,614	372,614
Accrued liabilities				
Payments in lieu of taxes	17,839	-	-	17,839
Interest payable	-	-	521	521
Deferred credits	18,202	12,890	128	31,220
Total current liabilities	<u>115,007</u>	<u>175,521</u>	<u>377,322</u>	<u>667,850</u>
Non-current liabilities				
Notes payable, net of current portion	-	-	295,994	295,994
Total liabilities	<u>115,007</u>	<u>175,521</u>	<u>673,316</u>	<u>963,844</u>
Net assets				
Invested in capital assets - net of related debt	6,205,103	24,345	-	6,229,448
Unrestricted	432,670	332,532	266,426	1,031,628
Total net assets	<u>6,637,773</u>	<u>356,877</u>	<u>266,426</u>	<u>7,261,076</u>
Total liabilities and net assets	<u>\$ 6,752,780</u>	<u>\$ 532,398</u>	<u>\$ 939,742</u>	<u>\$ 8,224,920</u>

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year ended June 30, 2005

	Enterprise Funds			
	Low Rent Public Housing	Section 8 Housing Choice Vouchers	EIRHC	Total
Operating revenue				
Charges for services	\$ 258,839	\$ -	\$ 23,057	\$ 281,896
Intergovernmental revenue	382,087	3,301,025	19,113	3,702,225
Other operating revenue	3,934	5,135	211,390	220,459
Total operating revenue	644,860	3,306,160	253,560	4,204,580
Operating expense				
Administration	317,655	483,846	8,643	810,144
Tenant services	1,675	-	-	1,675
Utilities	78,730	-	5,643	84,373
Ordinary maintenance and operations	246,162	9,705	6,573	262,440
General expense	32,561	20,870	1,021	54,452
Housing assistance payments	-	2,771,146	-	2,771,146
Depreciation	303,858	5,219	6,879	315,956
Total operating expense	980,641	3,290,786	28,759	4,300,186
Operating income (loss)	(335,781)	15,374	224,801	(95,606)
Non-operating revenue (expense)				
Interest income	10,080	4,058	233	14,371
Interest expense	-	-	(20,793)	(20,793)
HUD capital grants	275,211	-	-	275,211
Gain (loss) on disposal of fixed assets	16,722	(730)	-	15,992
Total non-operating revenue (expense)	302,013	3,328	(20,560)	284,781
Change in net assets before special item	(33,768)	18,702	204,241	189,175
Special item				
Reduction in equity transfer	-	(47,301)	-	(47,301)
Change in net assets	(33,768)	(28,599)	204,241	141,874
Net assets at beginning of year	6,671,541	385,476	62,185	7,119,202
Net assets at end of year	\$ 6,637,773	\$ 356,877	\$ 266,426	\$ 7,261,076

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2005

Increase (Decrease) in Cash and Cash Equivalents	Enterprise Funds			
	Low Rent Public Housing	Section 8 Housing Choice Vouchers	EIRHC	Total
Cash flows from operating activities				
Cash received from tenants	\$ 258,754	\$ -	\$ 22,777	\$ 281,531
Cash payments to suppliers and employees	(669,758)	(3,339,846)	(26,354)	(4,035,958)
Grants received from governmental units	456,252	3,324,154	19,113	3,799,519
Other income received	3,934	5,135	211,390	220,459
Net cash provided by (used in) operating activities	49,182	(10,557)	226,926	265,551
Cash flows from capital and related financing activities				
Due to/due from other funds	(372,614)	-	372,614	-
Capital expenditures	(395,979)	(17,673)	-	(413,652)
Proceeds from sale of property	46,665	4,105	-	50,770
HUD capital grants received	275,211	-	-	275,211
Principal payments on notes payable	-	(4,830)	(1,722)	(6,552)
Interest paid	-	-	(20,798)	(20,798)
Reduction in equity transfer	-	(47,301)	-	(47,301)
Net cash provided by (used in) capital and related financing activities	(446,717)	(65,699)	350,094	(162,322)
Cash flows from investing activities				
Interest income received	10,953	4,018	233	15,204
Net investment transactions	200,000	(1,858)	-	198,142
Investment in joint venture	-	-	(442,614)	(442,614)
Net cash provided by (used in) investing activities	210,953	2,160	(442,381)	(229,268)
Net increase (decrease) in cash and cash equivalents	(186,582)	(74,096)	134,639	(126,039)
Cash and cash equivalents at beginning of year	351,311	450,750	98,294	900,355
Cash and cash equivalents at end of year	\$ 164,729	\$ 376,654	\$ 232,933	\$ 774,316
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities				
Operating income (loss)	\$ (335,781)	\$ 15,374	\$ 224,801	\$ (95,606)
Adjustments to reconcile operating loss to net cash from operating activities:				
Depreciation	303,858	5,219	6,879	315,956
(Increase) decrease in accounts receivable	75,666	(34,952)	-	40,714
(Increase) decrease in deferred charges	(1,400)	2,066	-	666
Increase (decrease) in accounts payable	11,033	9,412	(4,474)	15,971
Decrease in accrued liabilities	(1,696)	-	-	(1,696)
Decrease in deferred credits	(2,498)	(7,676)	(280)	(10,454)
Total adjustments	384,963	(25,931)	2,125	361,157
Net cash from operating activities	\$ 49,182	\$ (10,557)	\$ 226,926	\$ 265,551

The accompanying notes are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

The Eastern Iowa Regional Housing Authority (EIRHA) is organized pursuant to the provisions of Chapter 403A and Chapter 28E of the Code of Iowa for the purposes of owning and providing affordable rental units and rent subsidies to low and moderate income individuals in Dubuque, Delaware, Jackson, Cedar, Clinton and Jones counties excluding the cities of Dubuque and Clinton. The Eastern Iowa Regional Housing Authority board consists of elected directors and housing commissioners from those counties.

As required by generally accepted accounting principles, these financial statements present the Eastern Iowa Regional Housing Authority and its component unit, the Eastern Iowa Regional Housing Corporation (EIHRC). Although it is legally separate from EIRHA, EIHRC is reported as if it were part of the primary government because of the significance of its operational or financial relationship with Eastern Iowa Regional Housing Authority, including having the same board of directors.

EIRHC is a non-profit corporation which owns and operates ten one-bedroom USDA units. EIRHC is also the management agent and general partner/developer for two low-income housing tax credit projects: Evergreen Meadows and Asbury Meadows which will be under construction in FY '06. EIRHC has entered into agreements with the Eastern Iowa Regional Housing Authority (EIRHA) and the East Central Intergovernmental Association (ECIA) for staffing services.

2. Basis of Presentation

The accounts of the Authority are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The Authority has the following fund:

Enterprise Fund - Enterprise funds are used to account for operations, (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the government body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
PROPRIETARY FUNDS
June 30, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus and Basis of Accounting

Measurement Focus - All Enterprise Funds are accounted for on an economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenue) and decreases (expenses) in total net assets.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Enterprise funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The Authority has elected pursuant to GASB Statement 20 to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

4. Cash Equivalents

For purposes of the statements of cash flows, the Authority considers cash equivalents to include certificates of deposits having an original maturity of three months or less.

5. Investments

The Authority's investments are in time deposits (savings, preferred money market accounts or certificates of deposit) that are stated at fair value, which approximates cost.

6. Property and Equipment

Property and equipment is stated at cost. The cost of maintenance and repairs that do not add value to assets or materially extend asset lives is not capitalized. The capitalization policy of the Authority is to capitalize fixed assets costing more than \$500 and expected to last more than one year. Depreciation of all exhaustible property and equipment is charged as an expense against operations. Accumulated depreciation is reported on the

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
PROPRIETARY FUNDS
June 30, 2005

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Property and Equipment - Continued

Statement of Net Assets. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings	40-50 years
Building and land improvements	5-20 years
Equipment	3-10 years

7. Budgetary Process

The Eastern Iowa Regional Housing Authority prepares an annual operating budget with formal board approval prior to the start of its fiscal year. The United States Department of Housing and Urban Development (HUD) requests the Authority keep the budget on file and to submit to HUD the calculation for operating subsidy. The Authority must prepare a revised operating budget only when total expenditures exceed the amount originally budgeted. The revised budget, if needed, is also kept on file at the Authority's office.

8. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

9. Concentration of Revenues

The Authority received approximately 88% of its total operating revenues from the federal government. This revenue is subject to federal government budget appropriations and potential funding reductions.

NOTE B - DEPOSITS AND INVESTMENTS

The Authority's deposits at June 30, 2005 were entirely covered by FDIC insurance, collateralized with securities or letters of credit held by the Authority or the Authority's agent in the Authority's name, or by a multiple financial institution collateral pool in accordance with

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
PROPRIETARY FUNDS
June 30, 2005

NOTE B - DEPOSITS AND INVESTMENTS - CONTINUED

Chapter 12C of the Iowa Code. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Authority is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Authority and the Treasurer of the State of Iowa; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

NOTE C - DUE FROM/TO OTHER FUNDS

Individual fund interfund receivable and payable balances on June 30, 2005 is as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Low-Rent Public Housing	\$372,614	\$ -
EIRHC		
Asbury Meadows	<u>-</u>	<u>372,614</u>
	<u>\$372,614</u>	<u>\$372,614</u>

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2005

NOTE D - PROPERTY AND EQUIPMENT

A summary of changes in property and equipment for each program follows:

	Balance July 1, 2004	Additions & Adjustments	Deletions & Adjustments	Balance June 30, 2005
Public Housing				
Land	\$ 858,323	\$ 800	\$ 11,258	\$ 847,865
Land improvement	16,717	-	-	16,717
Buildings	8,555,701	4,737	45,756	8,514,682
Equipment	132,416	-	-	132,416
Construction in process	-	115,231	-	115,231
	<u>9,563,157</u>	<u>120,768</u>	<u>57,014</u>	<u>9,626,911</u>
Less accumulated depreciation	<u>3,521,548</u>	<u>286,154</u>	<u>27,072</u>	<u>3,780,630</u>
Subtotal	<u>6,041,609</u>	<u>(165,386)</u>	<u>29,942</u>	<u>5,846,281</u>
Public Housing - Capital Fund Program				
Building and improvements	-	325,843	-	325,843
Equipment	24,579	28,562	-	53,141
Construction in process	79,193	-	79,193	-
	<u>103,772</u>	<u>354,405</u>	<u>79,193</u>	<u>378,984</u>
Less accumulated depreciation	<u>2,458</u>	<u>17,704</u>	<u>-</u>	<u>20,162</u>
Subtotal	<u>101,314</u>	<u>336,701</u>	<u>79,193</u>	<u>358,822</u>
Total	<u>\$ 6,142,923</u>	<u>\$ 171,315</u>	<u>\$ 109,135</u>	<u>\$ 6,205,103</u>
Section 8 Housing Choice Vouchers				
Equipment	\$ 45,298	\$ 17,673	\$ 15,824	\$ 47,147
Less accumulated depreciation	<u>28,572</u>	<u>5,219</u>	<u>10,989</u>	<u>22,802</u>
Totals	<u>\$ 16,726</u>	<u>\$ 12,454</u>	<u>\$ 4,835</u>	<u>\$ 24,345</u>
EIRHC - USDA Housing				
Land	\$ 19,664	\$ -	\$ -	\$ 19,664
Buildings	313,461	-	-	313,461
Furniture and equipment	14,682	-	-	14,682
	<u>347,807</u>	<u>-</u>	<u>-</u>	<u>347,807</u>
Less accumulated depreciation	<u>76,733</u>	<u>6,879</u>	<u>-</u>	<u>83,612</u>
Total	<u>\$ 271,074</u>	<u>\$ (6,879)</u>	<u>\$ -</u>	<u>\$ 264,195</u>
Grand Total	<u>\$ 6,430,723</u>	<u>\$ 176,890</u>	<u>\$ 113,970</u>	<u>\$ 6,493,643</u>

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
PROPRIETARY FUNDS
June 30, 2005

NOTE E - NOTES PAYABLE

Notes payable for EIRHC are payable to United States Department of Agriculture, Rural Housing Services (USDA-RHS). The following mortgage notes payable to USDA-RHS at June 30, 2005 are as follows:

6.5% first mortgage note payable	\$ 110,976
6.5% first mortgage note payable	3,826
7.25% first mortgage note payable	<u>183,038</u>
	297,840
Less current maturities	<u>1,846</u>
LONG-TERM OBLIGATIONS	<u>\$ 295,994</u>

United States Department of Agriculture, Rural Housing Services (USDA-RHS) is subsidizing the interest payable on the first mortgage notes, thereby effectively reducing the interest rate to 1%. The USDA-RHS notes are secured by real property and rents and profits of the Authority's USDA Housing Program.

Principal maturities on notes payable are as follows:

<u>Year ended June 30,</u>	<u>EIRHC-Rural Development</u>
2006	\$ 1,846
2007	1,979
2008	2,122
2009	2,275
2010	2,439
2011-2015	15,098
2016-2020	21,389
2021-2025	30,311
2026-2030	42,968
2031-2035	60,929
2036-2040	86,425
2041-2044	<u>30,059</u>
	<u>\$ 297,840</u>

NOTE F - ACTIVITIES OF THE HOUSING AUTHORITY

The Eastern Iowa Regional Housing Authority owns and manages 18 Public Housing Projects totaling 166 units in several locations.

The Eastern Iowa Regional Housing Authority is authorized to issue 883 vouchers under the Section 8 Housing Choice Voucher Program. At June 30, 2005, 818 vouchers were under lease in the six-county area served by the Eastern Iowa Regional Housing Authority.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
PROPRIETARY FUNDS
June 30, 2005

NOTE G - RELATED PARTY

The Eastern Iowa Regional Housing Authority, related to the East Central Intergovernmental Association through common management, is provided management services and office space. During the year ended June 30, 2005, the Eastern Iowa Regional Housing Authority paid East Central Intergovernmental Association \$902,502 for such services.

NOTE H - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past four years.

NOTE I - CONTINGENT LIABILITY

Eastern Iowa Regional Housing Corporation (EIRHC) includes Eastern Iowa Development Corporation (EIDC) a wholly-owned subsidiary of EIRHC. EIDC is the general partner and .01% owner of a limited partnership, Eastern Iowa Regional Partnership, L.L.L.P., which was formed for the development and operations of affordable housing in Peosta, Iowa and .01% owner of a limited partnership, Asbury E.I.R.P., L.L.L.P., which was formed for the development and operations of housing for low-income persons in Asbury, Iowa. The latter will begin construction in FY '06.

SUPPLEMENTAL DATA

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - EIRHC
June 30, 2005

	Enterprise Funds			
	USDA Housing Program	Tax Credit Programs		Total EIRHC
		Evergreen Meadows	Asbury Meadows	
ASSETS				
Current assets				
Cash	\$ 48,022	\$ 184,911	\$ -	\$ 232,933
Non-current assets				
Capital assets, net of accumulated depreciation	264,195	-	-	264,195
Investment in joint ventures	-	70,000	372,614	442,614
	<u>264,195</u>	<u>70,000</u>	<u>372,614</u>	<u>706,809</u>
Total assets	<u>\$ 312,217</u>	<u>\$ 254,911</u>	<u>\$ 372,614</u>	<u>\$ 939,742</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Notes payable - current	\$ 1,846	\$ -	\$ -	\$ 1,846
Accounts payable				
Security deposits	2,213	-	-	2,213
Due to other funds	-	-	372,614	372,614
Accrued Interest payable	521	-	-	521
Deferred credits	128	-	-	128
Total current liabilities	<u>4,708</u>	<u>-</u>	<u>372,614</u>	<u>377,322</u>
Non-current liabilities				
Notes payable, net of current portion	<u>295,994</u>	<u>-</u>	<u>-</u>	<u>295,994</u>
Total liabilities	<u>300,702</u>	<u>-</u>	<u>372,614</u>	<u>673,316</u>
Net assets				
Unrestricted	<u>11,515</u>	<u>254,911</u>	<u>-</u>	<u>266,426</u>
Total net assets	<u>11,515</u>	<u>254,911</u>	<u>-</u>	<u>266,426</u>
Total liabilities and net assets	<u>\$ 312,217</u>	<u>\$ 254,911</u>	<u>\$ 372,614</u>	<u>\$ 939,742</u>

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS - EIRHC
Year ended June 30, 2005

	Enterprise Funds			Total EIRHC
	USDA Housing Program	Tax Credit Programs Evergreen Meadows	Asbury Meadows	
Operating revenue				
Charges for services	\$ 23,057	\$ -	\$ -	\$ 23,057
Intergovernmental revenue	19,113	-	-	19,113
Other operating revenue	<u>1,284</u>	<u>210,106</u>	<u>-</u>	<u>211,390</u>
Total operating revenue	43,454	210,106	-	253,560
Operating expense				
Administration	3,003	5,640	-	8,643
Utilities	5,643	-	-	5,643
Ordinary maintenance and operations	6,573	-	-	6,573
General expense	1,021	-	-	1,021
Depreciation	<u>6,879</u>	<u>-</u>	<u>-</u>	<u>6,879</u>
Total operating expense	<u>23,119</u>	<u>5,640</u>	<u>-</u>	<u>28,759</u>
Operating income (loss)	20,335	204,466	-	224,801
Non-operating revenue (expense)				
Interest income	233	-	-	233
Interest expense	<u>(20,793)</u>	<u>-</u>	<u>-</u>	<u>(20,793)</u>
Total non-operating revenue (expense)	<u>(20,560)</u>	<u>-</u>	<u>-</u>	<u>(20,560)</u>
Change in net assets	(225)	204,466	-	204,241
Net assets at beginning of year	<u>11,740</u>	<u>50,445</u>	<u>-</u>	<u>62,185</u>
Net assets at end of year	<u>\$ 11,515</u>	<u>\$ 254,911</u>	<u>\$ -</u>	<u>\$ 266,426</u>

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - EIRHC
Year ended June 30, 2005

Increase (Decrease) in Cash and Cash Equivalents	Enterprise Funds			Total EIRHC
	USDA Housing Program	Tax Credit Programs Evergreen Meadows	Asbury Meadows	
Cash flows from operating activities				
Cash received from tenants	\$ 22,777	\$ -	\$ -	\$ 22,777
Cash payments to suppliers and employees	(16,240)	(10,114)	-	(26,354)
Grants received from governmental units	19,113	-	-	19,113
Other income received	1,284	210,106	-	211,390
Net cash provided by operating activities	26,934	199,992	-	226,926
Cash flows from financing activities				
Due to other funds	-	-	372,614	372,614
Principal payments on notes payable	(1,722)	-	-	(1,722)
Interest paid	(20,798)	-	-	(20,798)
Net cash provided by (used in) financing activities	(22,520)	-	372,614	350,094
Cash flows from investing activities				
Interest income received	233	-	-	233
Investment in joint venture	-	(70,000)	(372,614)	(442,614)
Net cash provided by (used in) investing activities	233	(70,000)	(372,614)	(442,381)
Net increase in cash and cash equivalents	4,647	129,992	-	134,639
Cash and cash equivalents at beginning of year	43,375	54,919	-	98,294
Cash and cash equivalents at end of year	\$ 48,022	\$ 184,911	\$ -	\$ 232,933
Reconciliation of Operating Income to Net Cash From Operating Activities				
Operating income	\$ 20,335	\$ 204,466	\$ -	\$ 224,801
Adjustments to reconcile operating loss to net cash from operating activities				
Depreciation	6,879	-	-	6,879
Increase (decrease) in accounts payable	-	(4,474)	-	(4,474)
Decrease in deferred credits	(280)	-	-	(280)
Total adjustments	6,599	(4,474)	-	2,125
Net cash from operating activities	\$ 26,934	\$ 199,992	\$ -	\$ 226,926

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2005

<u>Federal Grantor</u>	<u>Federal C.F.D.A. Number</u>	<u>Accrual Basis Amount</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Low-Rent Public Housing		
Operating subsidy	14.850	\$ 284,454
Capital Fund Program	14.872	363,963
 Housing Assistance Payment Program		
Housing Choice Vouchers	*14.871	3,301,025
 Resident Opportunity and Supportive Services	 14.870	 5,781
U.S. DEPARTMENT OF AGRICULTURE		
Rural Rental Housing Loans	10.415	19,113
TOTAL FEDERAL AWARDS		\$ <u>3,974,336</u>

* Denotes major program

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority

Dubuque, Iowa

STATEMENT AND CERTIFICATION OF

CAPITAL FUND PROGRAM COSTS

Year ended June 30, 2005

1. The Actual Capital Fund Program costs are as follows:

	Project IA05P126		
	501-03	502-03	501-04
Funds approved	\$ 217,360	\$ 43,319	\$ 247,602
Funds expended	<u>217,360</u>	<u>43,319</u>	<u>247,602</u>
Excess	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Funds advanced			
Capital fund grant	\$ 217,360	\$ 43,319	\$ 247,602
Funds expended	<u>217,360</u>	<u>43,319</u>	<u>247,602</u>
Excess	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

2. The Actual Modernization Cost Certificates (HUD-53001) dated September 22, 2004 for the 501-03 and 502-03 projects and July 26, 2005 for the 501-04 project as submitted to HUD for approval are in agreement with the PHA's records.
3. All capital fund program costs have been paid and all related liabilities have been discharged through payment.

The accompanying notes are an integral part of this statement.

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
FINANCIAL DATA SCHEDULE
June 30, 2005

Line Item Number	Account Description	Rural Rental Housing Loans 10,415	Low- Rent Public Housing 14,850	Resident Opportunity and Supportive Services 14,870	Section 8 Housing Choice Vouchers 14,871	Public Housing Capital Fund Program 14,872	State/ Local	Component Units	Total
111	Cash - unrestricted	12,155	122,438	-	363,764	-	-	184,911	683,268
113	Cash - other restricted	33,654	10,955	-	12,890	-	-	-	57,499
114	Cash - tenant security deposits	2,213	31,336	-	-	-	-	-	33,549
120	Total cash	48,022	164,729	-	376,654	-	-	184,911	774,316
122	Accounts receivable - HUD	-	-	1,072	-	-	-	-	1,072
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-	-
126	Accounts receivable - tenants	-	828	-	91,121	-	-	-	91,949
129	Accrued interest	-	479	-	-	-	-	-	479
131	Investments - unrestricted	-	-	-	822	-	-	-	822
142	Prepaid expenses	-	-	-	34,176	-	-	-	34,176
144	Interprogram Due from	-	7,955	-	5,280	-	-	-	13,235
150	Total current assets	-	372,614	-	-	-	-	-	372,614
161	Land	48,022	546,605	-	508,053	-	-	184,911	1,288,663
162	Buildings	19,664	847,865	-	-	-	-	-	867,529
163	Furniture, equipment and machinery	313,461	8,514,682	-	-	325,843	-	-	9,153,986
164	Furniture, equipment and machinery-administration	13,538	14,989	-	-	9,325	-	-	37,852
165	Leasehold improvements	1,144	117,427	-	47,147	43,816	-	-	209,534
166	Accumulated depreciation	-	16,717	-	-	-	-	-	16,717
167	Construction in progress	(83,612)	(3,780,630)	-	(22,802)	(20,162)	-	-	(3,907,206)
160	Total fixed assets, net of accumulated depreciation	-	115,231	-	-	-	-	-	115,231
176	Investments in joint ventures	264,195	5,646,281	-	24,345	358,822	-	-	6,493,643
180	Total non-current assets	-	-	-	-	-	-	-	442,614
190	Total assets	264,195	5,846,281	-	24,345	358,822	-	442,614	6,936,257
312	Accounts payable <=90 days	312,217	6,392,886	-	532,398	358,822	-	627,525	8,224,920
325	Accrued interest payable	-	46,558	1,072	36,822	-	-	-	84,452
331	Accounts payable - HUD PHA programs	521	-	-	-	-	-	-	521
333	Accounts payable - other government	-	-	-	125,809	-	-	-	125,809
341	Tenant security deposits	-	17,839	-	-	-	-	-	17,839
342	Deferred revenues	2,213	31,336	-	-	-	-	-	33,549
343	Current portion of a long-term debt - capital projects/mortgage revenue bonds	128	18,202	-	12,890	-	-	-	31,220
347	Interprogram Due to	1,846	-	-	-	-	-	-	1,846
310	Total current liabilities	-	-	-	-	-	-	-	-
		4,708	113,935	1,072	175,521	-	-	372,614	667,850

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
FINANCIAL DATA SCHEDULE - CONTINUED
June 30, 2005

Line Item Number	Account Description	Rural Rental Housing Loans 10,415	Low- Rent Public Housing 14,850	Resident Opportunity and Supportive Services 14,870	Section 8 Housing Choice Vouchers 14,871	Public Housing Capital Fund Program 14,872	State/ Local	Component Units	Total
351	Long-term debt, net of current - capital projects/mortgage revenue bonds	295,994	-	-	-	-	-	-	295,994
350	Total noncurrent liabilities	295,994	-	-	-	-	-	-	295,994
300	Total liabilities	300,702	113,935	1,072	175,521	-	-	372,614	963,844
508.1	Invested in capital assets, net of related debt	-	5,846,281	-	24,345	358,822	-	-	6,229,448
512.1	Unrestricted net assets	11,515	432,670	-	332,532	-	-	254,911	1,031,628
513	Total equity/net assets	11,515	6,278,951	-	356,877	358,822	-	254,911	7,261,076
600	Total liabilities and equity/net assets	312,217	6,392,886	1,072	532,398	358,822	-	527,525	8,224,920
703	Net tenant rental revenue	23,057	257,116	-	-	-	-	-	280,173
704	Tenant revenue - other	1,284	4,783	-	-	-	-	-	6,067
705	Total tenant revenue	24,341	261,899	-	-	-	-	-	286,240
706	HUD PHA grants	-	284,454	5,781	3,301,025	88,752	-	-	3,680,012
706.1	Capital grants	-	-	-	-	275,211	-	-	275,211
708	Other government grants	19,113	-	-	-	-	3,100	-	22,213
711	Investment income - unrestricted	233	10,080	-	4,058	-	-	-	14,371
714	Fraud recovery	-	-	-	1,196	-	-	-	1,196
715	Other revenue	-	874	-	3,939	-	-	210,106	214,919
716	Gain/loss on sale of fixed assets	-	16,722	-	(730)	-	-	-	15,992
700	Total revenue	43,687	574,029	5,781	3,309,488	363,963	3,100	210,106	4,510,154
911	Administrative salaries	1,230	210,409	-	388,839	-	-	-	600,478
912	Auditing fees	500	2,460	-	2,400	-	-	-	5,360
913	Outside management fees	1,230	-	-	-	-	-	-	1,230
916	Other operating - administrative	43	95,905	5,781	97,874	10,234	3,100	5,640	218,577
924	Tenant services - other	-	1,675	-	-	-	-	-	1,675
931	Water	929	12,475	-	-	-	-	-	13,404
932	Electricity	3,004	14,823	-	-	-	-	-	17,827
933	Gas	-	36,334	-	-	-	-	-	36,334
938	Other utilities expense	1,710	15,097	-	-	-	-	-	16,807
941	Ordinary maintenance & operations - labor	-	-	-	-	-	-	-	-
942	Ordinary maintenance & operations - materials and other	-	146,252	-	-	-	-	-	146,252
943	Ordinary maintenance & operations - contract costs	6,573	34,359	-	4,437	1,486	-	-	40,282
			53,832	-	-	-	-	-	60,405

Eastern Iowa Regional Housing Authority
Dubuque, Iowa
FINANCIAL DATA SCHEDULE - CONTINUED
June 30, 2005

Line Item Number	Account Description	Rural Rental Housing Loans 10,415	Low- Rent Public Housing 14,850	Resident Opportunity and Supportive Services 14,870	Section 8 Housing Choice Vouchers 14,871	Public Housing Capital Fund Program 14,872	State/ Local	Component Units	Total
961	Insurance premiums	1,021	14,722	-	12,156	-	-	-	27,899
962	Other general expenses	-	-	-	8,114	-	-	-	8,114
963	Payments in lieu of taxes	-	-	-	-	-	-	-	17,839
966	Bad debt - other	-	17,839	-	-	-	-	-	500
967	Interest expense	-	-	-	500	-	-	-	20,894
969	Total operating expenses	20,793	-	-	101	-	-	-	1,233,877
970	Excess operating revenue	37,033	656,182	5,781	514,421	11,720	3,100	5,640	3,276,277
973	Over operating expenses	6,654	(62,153)	-	2,795,067	352,243	-	204,466	2,771,145
974	Housing assistance	-	-	-	2,771,145	-	-	-	315,956
974	Depreciation expense	6,879	286,154	-	5,219	17,704	-	-	4,320,979
900	Total expenses	43,912	942,336	5,781	3,290,786	29,424	3,100	5,640	77,032
1001	Operating transfers in	-	-	-	-	-	-	-	(77,032)
1002	Operating transfers out	-	77,032	-	-	(77,032)	-	-	(47,301)
1006	Special item	-	-	-	(47,301)	-	-	-	(47,301)
1010	Total other financing	-	-	-	(47,301)	(77,032)	-	-	(47,301)
1000	Excess (deficiency) of	-	77,032	-	(47,301)	-	-	-	141,874
	operating revenue over	(225)	(291,275)	-	(26,599)	257,507	-	204,466	1,723
1102	Debt principal payments -	1,723	6,389,281	-	385,476	279,793	2,467	62,185	7,119,202
1103	Beginning equity	-	-	-	-	-	-	-	-
1104	Prior period adjustments,	-	-	-	-	-	-	-	-
	equity transfers and	-	-	-	-	-	-	-	-
	correction of errors	-	-	-	-	-	-	-	-
1113	Maximum annual contribu-	11,740	160,945	-	-	(176,478)	(2,467)	(11,740)	-
	tions commitment	-	-	-	3,363,570	-	-	-	3,363,570
1115	Contingency reserve, ACC	-	-	-	241,642	-	-	-	241,642
1116	Total annual contribu-	-	-	-	-	-	-	-	3,605,212
	tions available	-	-	-	3,605,212	-	-	-	12,707
1120	Unit months available	120	1,991	-	10,596	-	-	-	-
1121	Number of unit months	120	1,961	-	10,328	-	-	-	12,409
	leased	-	-	-	-	-	-	-	-

OTHER REPORTS

TOSTRUD & TEMP, S.C.

Certified Public Accountants

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

We have audited the financial statements of the Eastern Iowa Regional Housing Authority, Dubuque, Iowa as of and for the year ended June 30, 2005 and have issued our report thereon dated September 8, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Eastern Iowa Regional Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Eastern Iowa Regional Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the board of commissioners, and grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Fostered & Temp, S. C.

September 8, 2005

TOSTRUD & TEMP, S.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO MAJOR PROGRAMS AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

Board of Directors
Eastern Iowa Regional Housing Authority
Dubuque, Iowa

Compliance

We have audited the compliance of the Eastern Iowa Regional Housing Authority with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. The Authority's major federal program is identified in the Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. However, our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the board of commissioners, and grantor agencies. However, this report is a matter of public record and its distribution is not limited.

Tostud + Tany, S. C.

September 8, 2005

Eastern Iowa Regional Housing Authority
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2005

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? ☐ yes ☒ no

Reportable condition(s) identified not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to the financial statements? ☐ yes ☒ no

Federal Awards

Internal control over financial reporting:

Material weakness identified? ☐ yes ☒ no

Reportable condition(s) identified not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section .510(1)? ☐ yes ☒ no

Identification of major federal program:

CFDA Number	Name of Federal Program or Cluster
14.871	Section 8 Housing Choice Voucher Program

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as a low-risk auditee? ☒ yes ☐ no

Section II - Financial Statement Findings

NONE

Section III - Federal Findings and Questioned Costs

NONE

Status of Prior Audit Findings

There were no prior year audit findings.